

## Message Text

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ACTION TRSE-00

INFO OCT-01 EA-10 NEA-10 ISO-00 IO-13 H-01 L-03 PA-01  
SP-02 ICA-11 AID-05 EB-08 NSC-05 SS-15 STR-07  
OMB-01 CEA-01 CIAE-00 FRB-03 INR-10 NSAE-00  
XMB-02 OPIC-03 LAB-04 SIL-01 /117 W  
-----099914 140950Z /21

R 130335Z SEP 78  
FM AMEMBASSY KABUL  
TO SECSTATE WASHDC 9965  
INFO USDOC WASHDC  
AMEMBASSY JIDDA  
AMEMBASSY KUWAIT  
AMEMBASSY MANILA  
RUQMHRXAMEMBASSY TEHRAN 6555

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MANIALA FOR USREP/ADB

E.O. 11652: NA  
TAGS: BENC, BITO, EIND, EMIN, AF, ADB  
SUBJECT: MAJOR PROJECT: US FIRM MAY HAVE OPPORTUNITY TO CONSTRUCT  
KANDAHAR CEMENT PLANT

REF: A. KABUL 6483 B. MANILA 13574 C. KABUL 6331 D. STATE 197664  
E. KABUL 2031 F. KABUL 926 (ALL NOTAL)

1. DCM AND ECONOFF RECENTLY CALLED ON DEPUTY MINISTER OF INDUSTRIES,  
DIPL. ENG. GHULAM MOHAMMAD RAHIMI, AND DISCUSSED WITH HIM, INTER ALIA  
,  
THE \$50 MILLION CEMENT PLANT PROJECT AT KANDAHAR FOR WHICH THE FULLER  
COMPANY OF CATASQUA, PA., HAD DONE A FEASIBILITY STUDY. RAHIMI  
TOLD EMBOFFS THAT HIS MINISTRY HAD CABLED FULLER AUGUST 29  
REQUESTING THAT THE FIRM FILL IN SOME "GAPS" IN ITS STUDY. RAHIMI  
SAID THAT ONCE FINANCIAL ARRANGEMENTS FOR THE PLANT ARE COMPLETED,  
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HE HOPED THAT FULLER WOULD STILL BE INTERESTED IN BIDDING ON THE  
PROJECT.

2. THE DCM NOTED THAT FULLER HAD BEEN DISCOURAGED WITH ITS EARLIER  
EXPERIENCE IN AFGHANISTAN, HAVING INITIALLY WON THE PLANT CONTRACT  
ONLY TO SEE IT LOST LATER (REF F). RAHIMI SAID IRAN WAS TO BLAME FOR  
THIS SINCE IT HAD RENEGED ON ITS COMMITMENT TO FINANCE THE PROJECT.

HE REITERATED THAT, NOTWITHSTANDING THE PAST, FULLER SHOULD NOT LOSE INTEREST IN THE PROJECT.

3. REGARDING NEW FINANCING, RAHIMI NOTED THAT THE DRA IS NEGOTIATING WITH BOTH THE ASIAN DEVELOPMENT BANK (ADB) AND THE "ARAB BANK." (THROUGHOUT OUR CONVERSATION, RAHIMI AND HIS COLLEAGUES REFERRED TO THE "ARAB BANK." WE ARE NOT SURE WHETHER THEY MEANT KUWAIT'S ISLAMIC BANK OR A SAUDI BANK.) RAHIMI CLAIMED THAT THE ADB HAD MADE A "FIRM COMMITMENT" TO LOAN \$25 MILLION FOR THE PROJECT. THE ARAB BANK, HE ADDED, WAS STILL CONSIDERING WHETHER TO LOAN AN ADDITIONAL \$25 MILLION FOR THE PROJECT.

5. ON SEPTEMBER 10, EMBOFF LEARNED FROM ENG. A. ALI ABAWI, PRESIDENT OF INDUSTRIES DEPARTMENT, MINISTRY OF MINES AND INDUSTRIES, THAT FULLER HAD ACKNOWLEDGED RECEIPT OF THE MINISTRY'S CABLE AND WAS FORWARDING THE REQUESTED SUPPLEMENTARY INFO.

5. COMMENT: IF THE CEMENT PROJECT MATERIALIZED AND A US FIRM GETS THE CONSTRUCTION CONTRACT, IT WOULD REPRESENT THE FIRST MAJOR BREAKTHROUGH FOR AN AMERICAN ENGINEERING FIRM SINCE THE NEW AFGHAN GOVERNMENT TOOK OVER LAST APRIL.

6. EMBASSY WOULD APPRECIATE ANY INFO US EXECUTIVE DIRECTOR ON ADB OR EMBASSIES KUWAIT AND JIDDA CAN PROVIDE RE FINANCING TERMS OF THIS PROJECT. REF B INDICATED THAT ADB WAS ONLY CONSIDERING CONSULTING SERVICES AS OF EARLY AUGUST.  
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DUBS

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** INVESTMENT OPPORTUNITIES, INDUSTRIAL PLANTS, CEMENT  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 13 sep 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1978KABUL07318  
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**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D780373-0805  
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**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
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**Previous Handling Restrictions:** n/a  
**Reference:** 78 KABUL 6483  
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**Review Content Flags:**  
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**Review Event:**  
**Review Exemptions:** n/a  
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**Review Release Event:** n/a  
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**Subject:** MAJOR PROJECT: US FIRM MAY HAVE OPPORTUNITY TO CONSTRUCT KANDAHAR CEMENT PLANT  
**TAGS:** BENC, BTIO, EIND, EMIN, AF, ADB  
**To:** STATE  
**Type:** TE  
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**Review Markings:**  
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